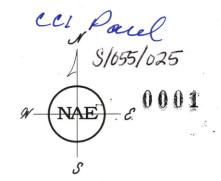
North American Exploration, inc.

MINERAL EXPLORATION SERVICES



May 24, 2006

Mr. Paul Baker Utah Division of Oil, Gas & Mining Box 145801 Salt Lake City, UT 84114-5801

Dear Paul,

Here is our revised application for a small mine permit at the Imagine Mine located in Wayne County. This permit is in the name of James L. Terry.

We have tried to address the deficiencies as pointed out in your letter of May 5, 2006. We do not yet have a U. S. Forest Service file number. I spoke with Rob Hamiliton (435/425-3702) at the Teasdale Ranger Station, and there may be a mix up of some kind. He has asked for separate information on the proposed mine and requested it be sent directly to him. Perhaps you have not sent him any information yet. Please let us know what we should do.

We look forward to working with you on this project.

Sincerely,

O. Jay Gatten

OJG/tmg

cc: Correspondnece Project File

RECEIVED

MAY 2 5 2006

DIV. OF OIL, GAS & MINING

Form MR-SMO (Revised October 20, 2005)

This Section for DOGM Use: Assigned DOGM File No.:	s/	1	
DOGM Lead:		141.4	
Permit Fee \$	C	k#	

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES **DIVISION OF OIL, GAS AND MINING**

1594 West North Temple Suite 1210 Box 145801

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1987, and the General Rules as promulgated under the Utah Minerals Regulatory Program.

Salt Lake City, Utah 84114-5801 Telephone: (801) 538-5291 Fax: (801) 359-3940 NOTICE OF INTENTION TO COMMENCE SMALL MINING OPERATIONS "Small Mining Operations" means mining operations which disturb five or less surface acres at any given time. KEVISED 5/24/06 **GENERAL INFORMATION** (Rule R647-3-104) I. IMAGINE 1. Name of Mine: Name of Entity Applying for Permit: James L. Terry 2. Contact (Authorized Officer): James L. Terry Address: 4157 Imperial Way City, State, Zip: Provo, Utah 84604 Phone: 801/367-4009 Fax: E-mail Address: Entity is a: Corporation () LLC () Sole Proprietorship (dba) () Partnership () General _____ or ____ limited Other () - specify type) Individual (x) Entity must be registered (and maintain registration) with the State of Utah, Division of Corporations www.commerce.utah.gov. Are you currently registered to do business in the State of Utah? Yes ₩ No Entity #_ None Local Business License # None Issued by: County _____ or City Registered Utah Agent (as identified with the Utah Department of Commerce): Name: None Address: City, State, Zip:_____ Fax: Phone: E-mail Address:

RECEIVED

MAY 2 5 2006

Name: 0. Jay Gatten	W, Suite 3
	11e, Utah 84037
Priorie: 801/344-3421	Fax: 801/544-4554
E-mail Address: <u>olgatt</u>	en@nae-xploration.com
f Dortmarship or Sala Dr	
If Partnership or Sole Pro	
Name of 1 st partner / Sol	
Name	
Address:	
Jity, State, Zip:	Fax:
none:	rax:
z-mail Address:	
f Partnership:	
Name of 2" Partner:	
Address:	
City, State, Zip:	
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mail Address:ame of 2 nd Member/Manaddress:ty, State, Zip:amail Address:ame of 3 rd Member/Manaddress:ty, State, Zip:amail Address:ty, State, Zip:amail Address:ty, State, Zip:amail Address:ty	ger: Fax:

1	lame National Forest (Dixie) 1789 Wedgewood Lane, Cedar City, UT
	lame Divie National ForeAddress Teasdale Ranger District
1	lame Address
١	lameAddress
	Ownership of Minerals:
S	rivate (Fee) □ Public Domain (BLM) □ National Forest (USFS) ☆ tate Trust Land/School Sections □ State Sovereign Lands □ ther (please describe):
N	ame National Forest (DixAcdress 1789 Wedgewood Lande, Cedar City, UT
N	ame Divie National ForesAddress Teasdale Ranger District
N	Address 435/425 3702
N	ame_BLM_(<u>Utah_State_Off</u>)Address_P_0_Box_45155, Salt_Lake_City, <u>UT_841</u> BLM Lease or Project File Number(s) and/or USFS assigned Project Number(s):
N	ame_BLM_(Utah_State_Off)Address_P_O_Box_45155, Salt_Lake_City, UT_841 BLM Lease or Project File Number(s) and/or USFS assigned Project Number(s): USFS_Project #
N	ame_BLM_(<u>Utah_State_Off</u>)Address_P_0_Box_45155, Salt_Lake_City, <u>UT_841</u> BLM Lease or Project File Number(s) and/or USFS assigned Project Number(s):
N	ame_BLM_(Utah_State_Off)Address_P_O_Box_45155, Salt_Lake_City, UT_841 BLM Lease or Project File Number(s) and/or USFS assigned Project Number(s):USFS_Project # BLM Claim Numbers_UMC369971. UMC369972 (IMAGINE 19 & 20)
N	ame_BLM_(Utah_State_Off)Address_P_O_Box_45155, Salt_Lake_City, UT_841 BLM Lease or Project File Number(s) and/or USFS assigned Project Number(s): USFS_Project #
7.	ame_BLM_(Utah_State_Off)Address_P_O_Box_45155, Salt_Lake_City, UT_841 BLM_Lease or Project File Number(s) and/or USFS assigned Project Number(s):USFS_Project # BLM_Claim_NumbersUMC369971, UMC369972 (IMAGINE 19 & 20) Utah_State_Lease_Number(s):N/A
N	BLM Lease or Project File Number(s) and/or USFS assigned Project Number(s): USFS Project # BLM Claim Numbers UMC369971. UMC369972 (IMAGINE 19 & 20) Utah State Lease Number(s): N/A Name of Lessee(s) N/A Have the above surface and mineral owners been notified in writing?

II. PROJECT LOCATION & MAP (Rule R647-3-105)

SE: 1/4, of NE 1/4, of SW 1/4: Section: 10 Township: 30S Range: 3E NEL 1/4, of SE 1/4, of SW 1/4: Section: 10 Township: 30S Range: 3E SW 1/4, of SE 1/4, of SW 1/4: Section: 10 Township: 30S Range: 3E SE SE SW 1/4: Section: 10 Township: 30S Range: 3E UTM East _449974 (if known) UTM North _4229405 (If known) Zone 1 Name of Quad Map for Location: Government Point, Utah 2. An accurate topographic base map showing the location of the proposed small mining operation must be submitted with this notice. The areas to be disturbed including access roads, must be plotted in sufficient detail so that they can be located on the ground. It is recommended that the Permittee / Operator also photo document, plot and label any pre-existing disturbances in the immediate vicinity that he is not responsible for. 3. The proposed (5 acre or less) disturbed area boundary (including access/haul roads) should be marked in the field ON THE GROUND with metal T-Posts (or with some other marker of equal effectiveness). Markers should be appropriately spaced so that the next marker in either direction is clearly visible with the naked eye. OPERATION PLAN (Rule R647-3-106) 1. Type of mining: Surface ★ Underground □ 2. Mineral(s) to be mined: Precious Metals 3. Amount of material to be extracted, moved or proposed to be moved: 1000 tons	1. Cou	Project Location (legal description):
NEL 1/4, of SEL 1/4, of SW 1/4: Section: 10 Township: 30S Range: 3E SW 1/4, of SE 1/4, of SW 1/4: Section: 10 Township: 30S Range: 3E SE SW 10 WITM North 4229405 (If known) Zone 1 Name of Quad Map for Location: Government Point, Utah 2. An accurate topographic base map showing the location of the proposed small mining operation must be submitted with this notice. The areas to be disturbed including access roads, must be plotted in sufficient detail so that they can be located on the ground. It is recommended that the Permittee / Operator also photo document, plot and label any pre-existing disturbances in the immediate vicinity that he is not responsible for. 3. The proposed (5 acre or less) disturbed area boundary (including access/haul roads) should be marked in the field ON THE GROUND with metal T-Posts (or with some other marker of equal effectiveness). Markers should be appropriately spaced so that the next marker in either direction is clearly visible with the naked eye. OPERATION PLAN (Rule R647-3-106) 1. Type of mining: Surface ☆ Underground □ 2. Mineral(s) to be mined: Precious Metals 3. Amount of material to be extracted, moved or proposed to be moved: 1000 tons 4. Will any water, liquid chemicals, reagents, or other solutions be used, produced or discharged as part of the mining or milling process? Yes ☒ No □ If yes, please describe (add extra pages if needed) Surface placer material will be washed, screened and a heavy concentrate obtained using a limited amount of water from Pine Creek. 5. Provide a brief description of the proposed mining operation and onsite processing facilities (add extra pages if necessary). Remove and stockpile ropsoil. Surface material will be excavated to depths of 1 to 15 feet using hand tools and backhoe/track hoe. Placer material will be processed by hand and by a conventional, portable, gravity gold recovery system using water from Fish Creek. This system would consist of	Cou	nty(ies): Wayne County, Utah
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SE SE SE WITM East _449974	—NE	1/4. of SE 1/4. of SW 1/4: Section: 10 Township: 30S Range: 3E
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(see attached sheet)		by hand and by a conventional, portable, gravity gold recovery
7. L New Noads. Length NOAR (II) Width (II)	2	
		New Road(s): Length Monte (tt) Width

III.

a grizzly, screens, a trommel and sluice box to recover a heavy mineral concentrate. Water and washed material would be circulated through a shallow pit or portable tanks. Should a pit be used, water would be allowed to seep down into the subsurface and would not be discharged directly into the creek. No washing operations would be conducted within 20 feet of the creek. Water would be allowed to discharge into the ground and evaporate. Washed sand and gravel and fines would be stored in an orderly manner until reclamation takes place. The surface would be restored to near its original contour and replanted. The heavy mineral concentrates would be transported off site for further processing and precious metal recovery.

In additional six to eight shallow holes would be drilled within the permitted area west of Fish Creek. Shallow mud pits would be dug to hold water/drilling mud and would be filled in and reclaimed after drilling is completed.

An existing road extends Northwest from the Pine Creek road and provides access to the south mine site. This road is not shown on the topographic map. The smaller site (0.37 acres) is adjacent to the Pine Creek road.

- 8. Total project surface acreage to be disturbed: $\frac{1 \cdot 92}{\text{EXACT}}$ (acres) PLEASE SPECIFY EXACT ACREAGE (this will be used to determine surety bond amount see #VI).
- 9. Proposed startup date of project (month, year) April 2006
- 10. Proposed completion date of project, if known (month, year) unknown

IV. OPERATION AND RECLAMATION PRACTICES (Rule R647-3-107, 108 & 109)

The reclamation and operation obligation is to keep the area clean and safe, minimize hazards to public safety, return the land to a useful condition, and reestablish at least 70 percent of the premining vegetative ground cover. To accomplish this, the Permittee / Operator will need to perform reclamation concurrently, or at the completion (within one (1) year) of mining. Please refer to The Practical Guide to Reclamation in Utah, available at www.ogm.ut.gov.

- 1. Keep the mining operation in a safe, clean, and environmentally stable condition.
- 2. Permanently seal all shafts and tunnels to prevent unauthorized or accidental entry.
- Plug drill holes with a five foot cement surface plug. Holes that encounter fluids are to be plugged in the subsurface to prevent aquifer contamination.
- 4. Construct berms, fences, or barriers, when needed, above highwalls and excavations.
- Remove, isolate, or neutralize all toxic materials in a manner compatible with federal and state regulations.
- Remove all waste or debris from stream channels.
- 7. Dispose of any trash, scrap metal, wood, machinery, and buildings.
- 8. Conduct mining activities so as to minimize erosion and control sediment.
- 9. Reclaim all roads that are not part of a permanent transportation system.
- 10. Stockpile topsoil and suitable overburden prior to mining.
- 11. Stabilize highwalls by backfilling or rounding to 45 degrees or less, where feasible; reshape the land to near its original contour, and redistribute the topsoil and suitable overburden.
- 12. Properly prepare seedbed to a depth of six inches by pocking, ripping, discing, or harrowing. Leave the surface rough.
- Reseed disturbed areas with adaptable species. (The Division recommends a mixture of species of grass, forb, and browse seed, and will provide a specific species list if requested.)
- Plant the seed with a rangeland or farm drill, or broadcast the seed. Fall is the preferred time to seed.

V. VARIANCE REQUEST (Rule R647-3-110)

Any variance request must be approved in writing by the Division

Yes □ No □XX

Any planned deviations from Rules R647-3-107, Operation Practices, R647-3-108, Hole Plugging Requirements, or R647-3-109, Reclamation Practices, as summarized above (see **IV. Operation and Reclamation Practices** Item # 1-14), should be identified below listing applicable rule number. Give justification for the variance(s) and alternate methods or measure to be utilized. A variance shall be granted if the alternative method or measure proposed will be consistent with the Act.

	Applicable Rule # (i.e. R647-3-109.10 (if you did not want trenches & pits reclaimed)
Alternate met	nods or measure to be utilized:
2 nd Variance R	Requested
Item # Justification:	Applicable Rule #
	ods or measure to be utilized:
3 rd Variance R	equested
Item # Justification:	Applicable Rule #
ach additional	page If more variances are requested. (Act 40-8-7(1)[c])
ach additional SURETY eclamation co	page If more variances are requested.
SURETY eclamation commencement The Utah that all mi	page If more variances are requested. (Act 40-8-7(1)[c]) Intract and surety must be provided to and approved by the Division prior of operations. Mined Land Reclamation Act (40-8-7 (1)[c] and 40-8-14 provides the authoriting operations furnish and maintain reasonable surety to guarantee that the ted is reclaimed according to accepted notices consistent with on-site
SURETY eclamation commencement The Utah that all miland affect conditions The surety amounts a	page If more variances are requested. (Act 40-8-7(1)[c]) Intract and surety must be provided to and approved by the Division prior of operations. Mined Land Reclamation Act (40-8-7 (1)[c] and 40-8-14 provides the authoriting operations furnish and maintain reasonable surety to guarantee that the ted is reclaimed according to accepted notices consistent with on-site
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SURETY eclamation commencement The Utah that all milland affect conditions The surety amounts a guide, aloue Surety for Division for the provided or we	page If more variances are requested. (Act 40-8-7(1)[c]) Intract and surety must be provided to and approved by the Division priof operations. Mined Land Reclamation Act (40-8-7 (1)[c] and 40-8-14 provides the authoriting operations furnish and maintain reasonable surety to guarantee that the ted is reclaimed according to accepted notices consistent with on-site site. In amount is based on the nature, extent and duration of operations. The sure are based on data from current large mine surety and are used as a general and with actual site conditions. In a sure surety and are used as a general and with actual site conditions.

assessment of permitting fees. Commencing with the 1998 fiscal year (July 1 - June 30), permit fees are assessed to new and existing notices of intention, and annually thereafter, until the project disturbances are successfully reclaimed by the Permittee / Operator and

The Utah Mined Land Reclamation Act of 1975 [40-8-7(1)(i)] provides the authority for the

released by the Division.

Small Mine Notices require a \$150.00 fee which must accompany this application or it cannot be processed by the Division.

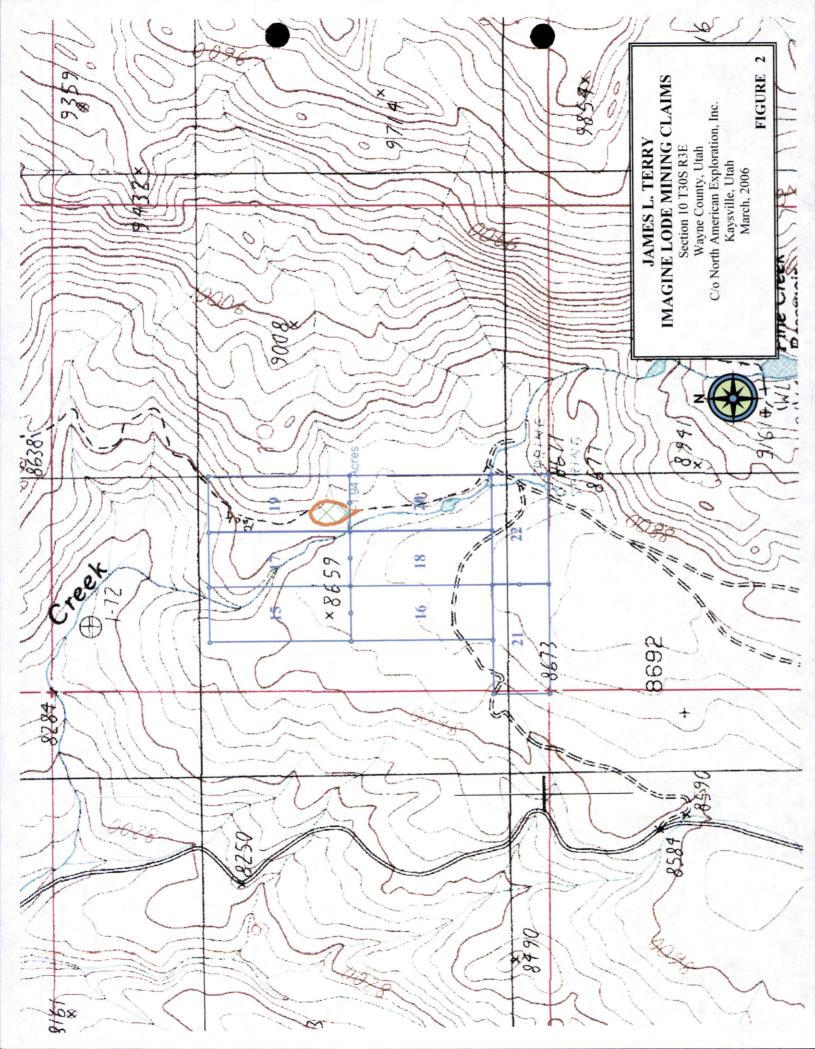
NOTICE: The following person(s) are authorized and designated to receive Notices of Violations. Cessation Orders and all other Notices required by the Division to be given to the permittee or

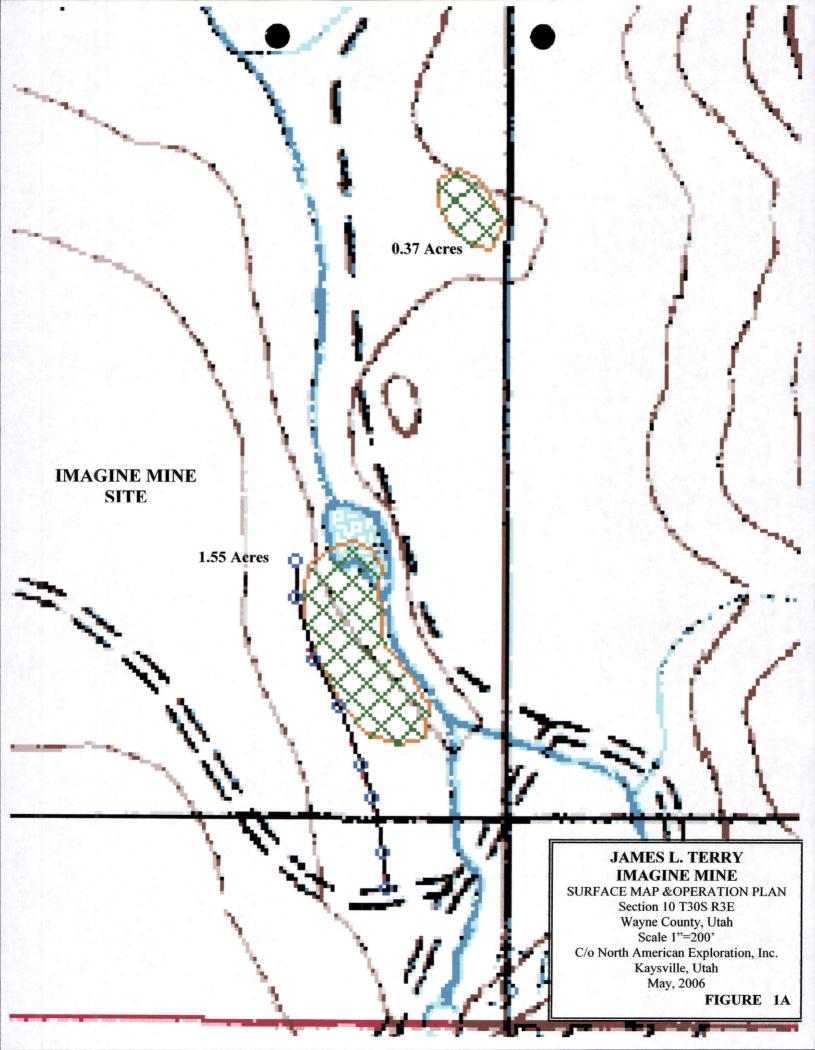
operator:		
	Name:	
	Address:	
	City, State, Zip:	
	Phone:	Fax:
	E-mail Address:	
	Name:	
	Address:	
	City, State, Zip:	Fax:
	Phone:	Fax:
	E-mail Address:	
(Please che		your initials on the line provided) required permit fee.
	I have enclosed a co appropriate reclama surety will be furnish	omplete Reclamation Contract (Form MR-RC) and the tion surety amount or have made arrangements as to when the led.
X	I understand that I a	m not authorized to create any surface disturbance until the
	surety amount is pos	sted and approved in writing from the Division of Oil, Gas and rauthorized regulatory agency.
CERTIFICA		
state under America that	penalty of perjury under: :	er the laws of the state of Utah and the United States of
a.	I have read this form a	nd declare the information, statements and/or documentation

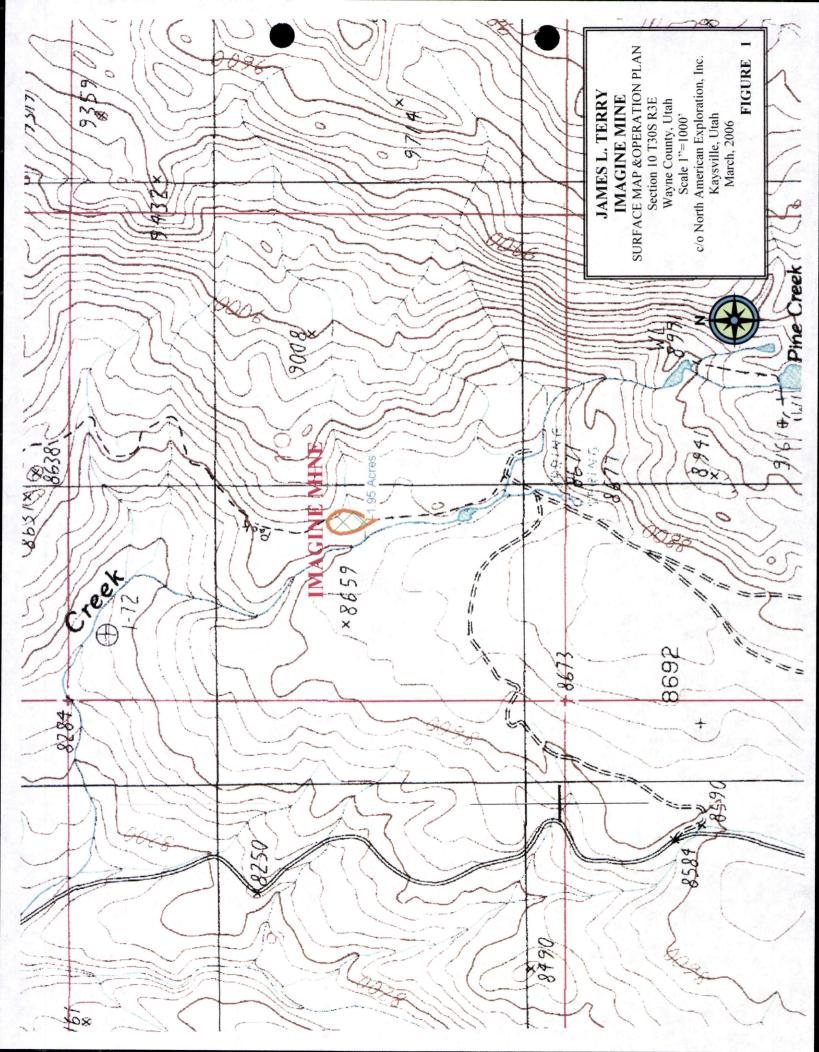
- are true, correct and complete to the best of my knowledge and belief; AND
- b. I commit to the reclamation of the aforementioned small mining project as required by the Utah Mined Land Reclamation Act (40-8) and the rules as specified by the Board of Oil, Gas and Mining.
- c. This certification must be executed by an executive officer if the applicant is a corporation; by a partner if applicant is a partnership (general or limited); owner if applicant is a sole proprietorship; member or manager if applicant is a limited liability company.

Signature: //mey	Torry	Date: May 23, 2006	
Name (typed or printed):	James L. Terry	\	
Title/Position (if applicable):_	N/A		

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UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT MINING CLAIM GEOGRAPHIC REPORT LIST OF MINING CLAIMS BY SECTION

Run Date: 03/10/2006 Page 1 of 1

MER TWP RNG SEC 26 0300S 0030E 010

Case Type							367 38410
Lead File	UMC3698	UNICSOBBOY	Second I	Second	UMC369967	I IMC SECOND	UMC369967
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Claimant(s)	TERRY IA	TERRY JAMES	TERRY JA	TERRY IA	TERRY JA	TERRY JAMES	TERRY JAMES
Claim Name/Number IMAGINE 15	VE 16	VE 17	VE 18	VE 19	VE 20	VE 22	VE 21
Claim N IMAGII	IMAGII	IMAGIN	IMAGIN	IMAGIN	IMAGIN	IMAGINE 22	IMAGINE 21
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UMC369967	384101	384101 ACTIVE	06/08/2003		2006
UMC369967	384101	384101 ACTIVE	06/08/2003		2006
UMC369967	384101	384101 ACTIVE	06/08/2003		2006
UMC369967	384101	384101 ACTIVE	06/08/2003		2006
UMC369967	384101	384101 ACTIVE	06/08/2003		2006
UMC369967	384101	384101 ACTIVE	06/08/2003		2006

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

Form MR-SMO (Revised October 20, 2005)

This Section for DOGM Use: Assigned DOGM File No.:	s/	1	
DOGM Lead:			
Permit Fee \$	C	k#	A

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

1594 West North Temple Suite 1210 Box 145801

Salt Lake City, Utah 84114-5801 Telephone: (801) 538-5291 Fax: (801) 359-3940

NOTICE OF INTENTION TO COMMENCE SMALL MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1987, and the General Rules as promulgated under the Utah Minerals Regulatory Program.

"Small Mining Operations" means mining operations which disturb five or less surface acres at any given time. KEVISED 5/24/06 **GENERAL INFORMATION** (Rule R647-3-104) **IMAGINE** 1. Name of Mine: Name of Entity Applying for Permit: James L. Terry
Contact (Authorized Officer): James L. Terry 2. Address: 4157 Imperial Way City, State, Zip: Provo, Utah 84604 Phone: 801/367-4009 Fax: E-mail Address: Entity is a: Corporation () LLC () Sole Proprietorship (dba) () Partnership () General ___ limited or Individual (*) Other () - specify type)_ Entity must be registered (and maintain registration) with the State of Utah, Division of Corporations www.commerce.utah.gov. Are you currently registered to do business in the State of Utah? Yes Entity # Local Business License # None Issued by: County or City Registered <u>Utah</u> Agent (as identified with the Utah Department of Commerce): Name: Address: City, State, Zip:___ Phone: Fax: E-mail Address:

DIV. OF OIL, GAS & MINING

Address: 447 N 300 W, S	o North American Exploration, Inc.
City, State, Zip: Kaysville,	
Phone: 801/544-3421	Fax: 801/544-4554
	nae-xploration.com
f Partnership or Sole Proprie	tor:
Name of 1 st partner / Sole Pro	
Name	
Address:	
City State Zin	
Phone:	Fax:
-mail Address:	
- man / mar 666.	
f Partnership:	
city State Zin:	
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-mail Address:	
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	Name National Forest (Dixie) Address 1789 Wedgewood Lane, Cedar City, UT
	Name Divie National ForeAddress Teasdale Ranger District
	Name Box 99, Teasdale, Utah 84773 435/425-3702
	NameAddress
	Ownership of Minerals:
	Private (Fee) □ Public Domain (BLM) □ National Forest (USFS) ☆ State Trust Land/School Sections □ State Sovereign Lands □ Other (please describe):
	Name National Forest (DixActoress 1789 Wedgewood Lande, Cedar City, UT
	Name Divie National ForesAddress Teasdale Ranger District
	Name Address435/425_3702
	Name BLM (Utah State Off) Address P O Box 45155. Salt Lake City. UT 8415
	BLM Lease or Project File Number(s) and/or USFS assigned Project Number(s):
	BLM Lease or Project File Number(s) and/or USFS assigned Project Number(s): USFS Project # BLM Claim NumbersUMC369971 . UMC369972 (IMAGINE 19 & 20)
	USFS Project #
	USFS Project # BLM Claim Numbers UMC369971. UMC369972 (IMAGINE 19 & 20)
7.	USFS Project # BLM Claim Numbers <u>UMC369971</u> . <u>UMC369972</u> (IMAGINE 19 & 20) Utah State Lease Number(s): N/A
7.	USFS Project # BLM Claim Numbers <u>UMC369971</u> . <u>UMC369972</u> (IMAGINE 19 & 20) Utah State Lease Number(s): N/A Name of Lessee(s) N/A Have the above surface and mineral owners been notified in writing?

II. PROJECT LOCATION & MAP (Rule R647-3-105)

	EL 1/4, of <u>NE 1/4</u> , of <u>SW 1/4</u> : Section: <u>10</u> Township: <u>30S</u> Range: <u>3E</u> EL 1/4, of <u>SEL 1/4</u> , of <u>SW 1/4</u> : Section: <u>10</u> Township: <u>30S</u> Range: <u>3E</u>
NE	W 1/4, of SE 1/4, of SW 1/4: Section: 10 Township: 308 Range: 3E
SI	그는 그는 말이 있다면 하는데 이번 하는데 하는데 하는데 하는데 나는 그렇게 되었다면 하는데
ΓN	M East449974 (if known) UTM North4229405 (If known) Zon
	ne of Quad Map for Location: Government Point, Utah
2011	
	An accurate topographic base map showing the location of the proposed small mining operation must be submitted with this notice. The areas to be disturbed including access roads, must be plotted in sufficient detail so that they can be located on the ground. It is recommended that the Permittee / Operator also photo document, plot and label any pre-existing disturbances in the immediate vicinity that he is not responsible for.
	The proposed (5 acre or less) disturbed area boundary (including access/haul roads) should be marked in the field ON THE GROUND with metal T-Posts (or with some other marker of equal effectiveness). Markers should be appropriately spaced so that the next marker in either direction is clearly visible with the naked eye.
E	RATION PLAN (Rule R647-3-106)
E	
E	Type of mining: Surface ☆ Underground □
E	
E	Type of mining: Surface ☆ Underground □
E	Type of mining: Surface ★ Underground □ Mineral(s) to be mined: Precious Metals Amount of material to be extracted, moved or proposed to be moved: 1000 tons Will any water, liquid chemicals, reagents, or other solutions be used, produced or discharged as part of the mining or milling process? Yes ▼ No □ If yes, please describe (add extra pages if needed) Surface placer material will be washed, screened and a heavy
E	Mineral(s) to be mined: Precious Metals Amount of material to be extracted, moved or proposed to be moved: 1000 tons Will any water, liquid chemicals, reagents, or other solutions be used, produced or discharged as part of the mining or milling process? Yes X No flyes, please describe (add extra pages if needed) Surface placer material will be washed, screened and a heavy concentrate obtained using a limited amount of water from Pine Creek.
E	Mineral(s) to be mined: Precious Metals Amount of material to be extracted, moved or proposed to be moved: Will any water, liquid chemicals, reagents, or other solutions be used, produced or discharged as part of the mining or milling process? Yes K No If yes, please describe (add extra pages if needed) Surface placer material will be washed, screened and a heavy concentrate obtained using a limited amount of water from Pine Creek. Provide a brief description of the proposed mining operation and onsite
E	Mineral(s) to be mined: Precious Metals Amount of material to be extracted, moved or proposed to be moved: 1000 tons Will any water, liquid chemicals, reagents, or other solutions be used, produced or discharged as part of the mining or milling process? Yes X No I If yes, please describe (add extra pages if needed) Surface placer material will be washed, screened and a heavy concentrate obtained using a limited amount of water from Pine Creek. Provide a brief description of the proposed mining operation and onsite processing facilities (add extra pages if necessary). Remove and stockpile topsoil.
E	Mineral(s) to be mined: Precious Metals Amount of material to be extracted, moved or proposed to be moved: 1000 tons Will any water, liquid chemicals, reagents, or other solutions be used, produced or discharged as part of the mining or milling process? Yes K No If yes, please describe (add extra pages if needed) Surface placer material will be washed, screened and a heavy concentrate obtained using a limited amount of water from Pine Creek. Provide a brief description of the proposed mining operation and onsite processing facilities (add extra pages if necessary). Remove and stockpile topsoil. Surface material will be excavated to depths of 1 to 15 feet using
E	Mineral(s) to be mined: Precious Metals Amount of material to be extracted, moved or proposed to be moved: 1000 tons Will any water, liquid chemicals, reagents, or other solutions be used, produced or discharged as part of the mining or milling process? Yes K No If yes, please describe (add extra pages if needed) Surface placer material will be washed, screened and a heavy concentrate obtained using a limited amount of water from Pine Creek. Provide a brief description of the proposed mining operation and onsite processing facilities (add extra pages if necessary). Remove and stockpile topsoil. Surface material will be excavated to depths of 1 to 15 feet using hand tools and backhoe/track hoe. Placer material will be processed
E	Mineral(s) to be mined: Precious Metals Amount of material to be extracted, moved or proposed to be moved: 1000 tons Will any water, liquid chemicals, reagents, or other solutions be used, produced or discharged as part of the mining or milling process? Yes K No If yes, please describe (add extra pages if needed) Surface placer material will be washed, screened and a heavy concentrate obtained using a limited amount of water from Pine Creek. Provide a brief description of the proposed mining operation and onsite processing facilities (add extra pages if necessary). Remove and stockpile topsoil. Surface material will be excavated to depths of 1 to 15 feet using

111.

a grizzly, screens, a trommel and sluice box to recover a heavy mineral concentrate. Water and washed material would be circulated through a shallow pit or portable tanks. Should a pit be used, water would be allowed to seep down into the subsurface and would not be discharged directly into the creek. No washing operations would be conducted within 20 feet of the creek. Water would be allowed to discharge into the ground and evaporate. Washed sand and gravel and fines would be stored in an orderly manner until reclamation takes place. The surface would be restored to near its original contour and replanted. The heavy mineral concentrates would be transported off site for further processing and precious metal recovery.

In additional six to eight shallow holes would be drilled within the permitted area west of Fish Creek. Shallow mud pits would be dug to hold water/drilling mud and would be filled in and reclaimed after drilling is completed.

An existing road extends Northwest from the Pine Creek road and provides access to the south mine site. This road is not shown on the topographic map. The smaller site (0.37 acres) is adjacent to the Pine Creek road.

- 8. Total project surface acreage to be disturbed: $\frac{1 \cdot 92}{2}$ (acres) PLEASE SPECIFY EXACT ACREAGE (this will be used to determine surety bond amount see #VI).
- 9. Proposed startup date of project (month, year) April 2006
- 10. Proposed completion date of project, if known (month, year) unknown

IV. OPERATION AND RECLAMATION PRACTICES (Rule R647-3-107, 108 & 109)

The reclamation and operation obligation is to keep the area clean and safe, minimize hazards to public safety, return the land to a useful condition, and reestablish at least 70 percent of the premining vegetative ground cover. To accomplish this, the Permittee / Operator will need to perform reclamation concurrently, or at the completion (within one (1) year) of mining. Please refer to The Practical Guide to Reclamation in Utah, available at www.ogm.ut.gov.

- 1. Keep the mining operation in a safe, clean, and environmentally stable condition.
- 2. Permanently seal all shafts and tunnels to prevent unauthorized or accidental entry.
- Plug drill holes with a five foot cement surface plug. Holes that encounter fluids are to be plugged in the subsurface to prevent aquifer contamination.
- Construct berms, fences, or barriers, when needed, above highwalls and excavations.
- Remove, isolate, or neutralize all toxic materials in a manner compatible with federal and state regulations.
- 6. Remove all waste or debris from stream channels.
- 7. Dispose of any trash, scrap metal, wood, machinery, and buildings.
- 8. Conduct mining activities so as to minimize erosion and control sediment.
- 9. Reclaim all roads that are not part of a permanent transportation system.
- 10. Stockpile topsoil and suitable overburden prior to mining.
- 11. Stabilize highwalls by backfilling or rounding to 45 degrees or less, where feasible; reshape the land to near its original contour, and redistribute the topsoil and suitable overburden.
- 12. Properly prepare seedbed to a depth of six inches by pocking, ripping, discing, or harrowing. Leave the surface rough.
- Reseed disturbed areas with adaptable species. (The Division recommends a mixture of species of grass, forb, and browse seed, and will provide a specific species list if requested.)
- 14. Plant the seed with a rangeland or farm drill, or broadcast the seed. Fall is the preferred time to seed.

V. VARIANCE REQUEST (Rule R647-3-110)

Any variance request must be approved in writing by the Division

Yes □ No □x

Any planned deviations from Rules R647-3-107, Operation Practices, R647-3-108, Hole Plugging Requirements, or R647-3-109, Reclamation Practices, as summarized above (see **IV. Operation and Reclamation Practices** Item # 1-14), should be identified below listing applicable rule number. Give justification for the variance(s) and alternate methods or measure to be utilized. A variance shall be granted if the alternative method or measure proposed will be consistent with the Act.

Item # Justification:_	Applicable Rule # (i.e. R647-3-109.10 (if you did not want trenches & pits reclaimed)								
Alternate met	Alternate methods or measure to be utilized:								
2 nd Variance F	ested								
Item # Justification:	Applicable Rule #								
	nods or measure to be utilized:								
3 rd Variance R	equested								
Item#	Applicable Rule #								
Justification:	ode or measure to be utilized:								
Alternate meth	page If more variances are requested. (Act 40-8-7(1)[c])								
Alternate meth tach additional SURETY reclamation commencement	page If more variances are requested. (Act 40-8-7(1)[c]) Intract and surety must be provided to and approved by the Division prion of operations.								
Alternate methodach additional SURETY reclamation commencement The Utah that all min	page If more variances are requested. (Act 40-8-7(1)[c]) Intract and surety must be provided to and approved by the Division prior of operations. Mined Land Reclamation Act (40-8-7 (1)[c] and 40-8-14 provides the authority ning operations furnish and maintain reasonable surety to guarantee that the red is reclaimed according to accepted notices consistent with on-site								
Alternate methodach additional SURETY Teclamation commencement The Utah that all mind affect conditions The surety amounts a	page If more variances are requested. (Act 40-8-7(1)[c]) Intract and surety must be provided to and approved by the Division prior of operations. Mined Land Reclamation Act (40-8-7 (1)[c] and 40-8-14 provides the authority ning operations furnish and maintain reasonable surety to guarantee that the ted is reclaimed according to accepted notices consistent with on-site								
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Alternate methodach additional SURETY Teclamation commencement The Utah that all mind affect conditions The surety amounts a guide, alor Division for	page If more variances are requested. (Act 40-8-7(1)[c]) Intract and surety must be provided to and approved by the Division prior of operations. Mined Land Reclamation Act (40-8-7 (1)[c] and 40-8-14 provides the authority ning operations furnish and maintain reasonable surety to guarantee that the red is reclaimed according to accepted notices consistent with on-site amount is based on the nature, extent and duration of operations. The surety re based on data from current large mine surety and are used as a general and with actual site conditions. In provide surety in the form of:								

assessment of permitting fees. Commencing with the 1998 fiscal year (July 1 - June 30), permit fees are assessed to new and existing notices of intention, and annually thereafter, until the project disturbances are successfully reclaimed by the Permittee / Operator and

The Utah Mined Land Reclamation Act of 1975 [40-8-7(1)(i)] provides the authority for the

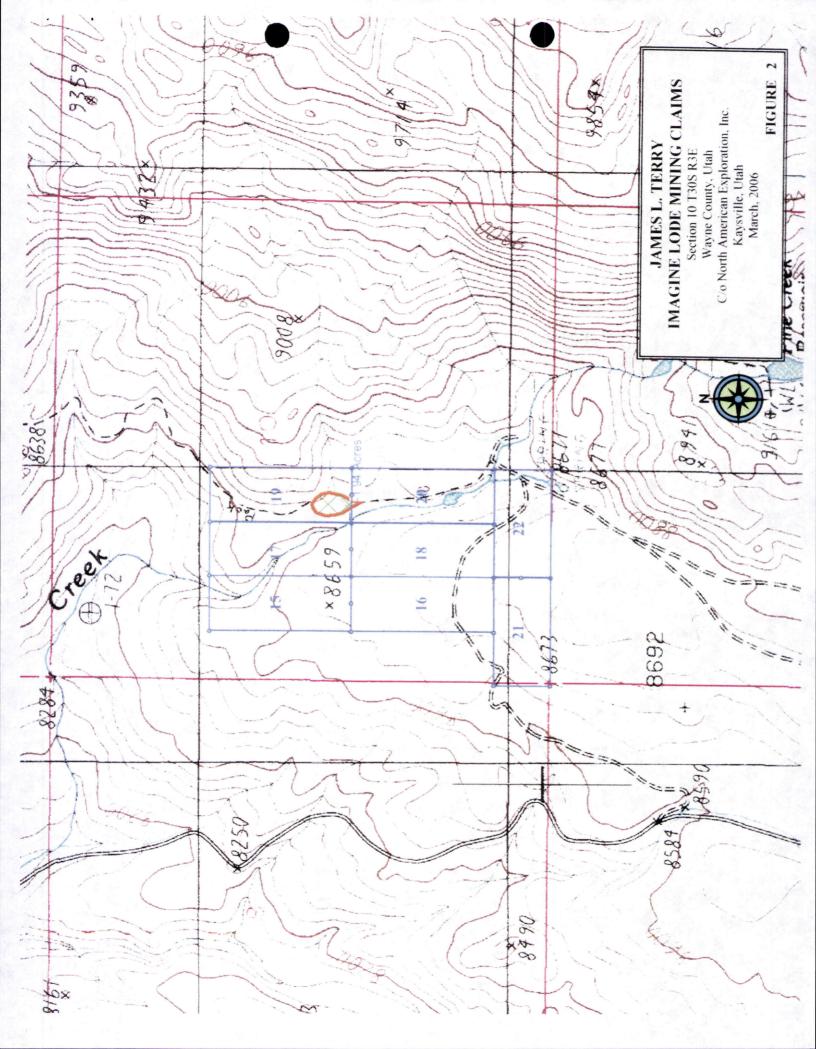
released by the Division.

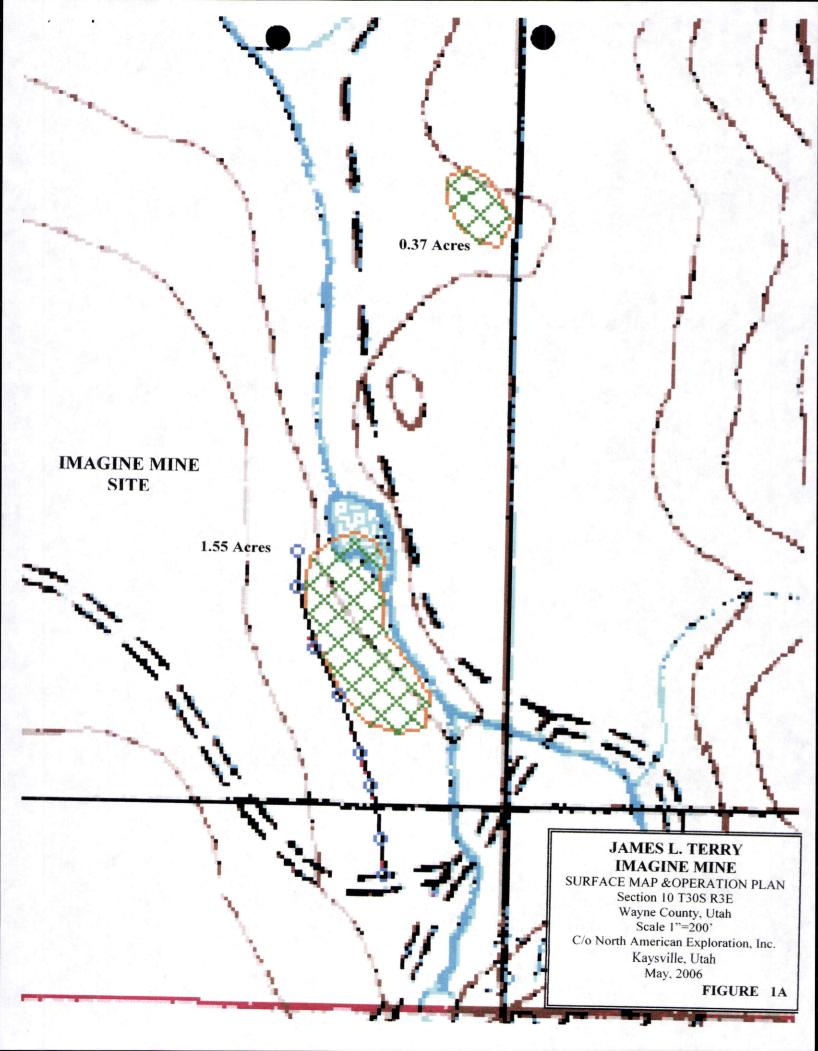
VII.

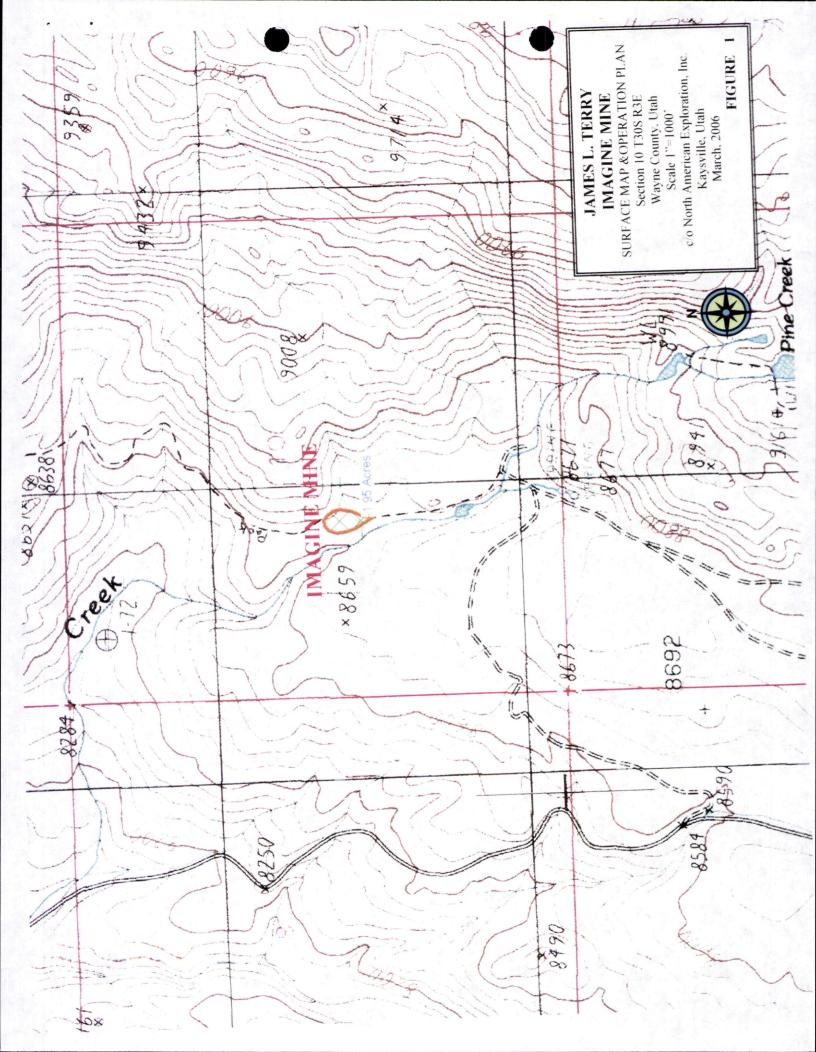
Small Mine Notices require a \$150.00 fee which must accompany this application or it cannot be processed by the Division.

NOTICE: The following person(s) are authorized and designated to receive Notices of Violations, Cessation Orders and all other Notices required by the Division to be given to the permittee or operator:

		Name:
		Address:
		Phone: Fax:
		Phone: Fax: Fax: Fax: Fax: Fax: Fax: Fax: Fax
		Name:
		AUDIESS.
		City, State, Zip:
		Phone: Fax:
		City, State, Zip: Fax:
VIII.	SIGI	NATURE REQUIREMENT
(Pleas	e che	eck the box and place your initials on the line provided)
(团	I have enclosed the required permit fee.
		1800이라는 전에 대폭발되었다. 동네이 보고 있는데 이번 교회의 하게 보고 있다고 하면서이 있었다. 네네워크를 하고 있는데 되었다. 1915년 1915년 1915년 1915년 1915년 1915년
	_□	I have enclosed a complete Reclamation Contract (Form MR-RC) and the appropriate reclamation surety amount or have made arrangements as to when the surety will be furnished.
	X	I understand that I am not authorized to create any surface disturbance until the
		surety amount is posted and approved in writing from the Division of Oil, Gas and Mining and any other authorized regulatory agency.
ERTIF state u merica	nder	ION penalty of perjury under the laws of the state of Utah and the United States of
	a. I	have read this form and declare the information, statements and/or documentation are true, correct and complete to the best of my knowledge and belief; AND
	b. I	commit to the reclamation of the aforementioned small mining project as required by the Utah Mined Land Reclamation Act (40-8) and the rules as specified by the loard of Oil, Gas and Mining.
	O.	this certification must be executed by an executive officer if the applicant is a orporation; by a partner if applicant is a partnership (general or limited); wner if applicant is a sole proprietorship; member or manager if applicant is a mited liability company.
Signat		Agnes & Torry Date: May 23, 2006
Name	(type	or printed): James L. Terry
Title/P	ositio	n (if applicable): N/A
OVEODA	ACINION	contra cmo 2005 dos







UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT MINING CLAIM GEOGRAPHIC REPORT LIST OF MINING CLAIMS BY SECTION

03/10/2006 Page 1 of 1

Run Date:

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Claimantis) TERRY JAMES
Claim Name/Number IMAGINE 15 IMAGINE 16 IMAGINE 17 IMAGINE 19 IMAGINE 20 IMAGINE 22 IMAGINE 21
Ouad NW SW SW NW SW SW SW SW SW
Serial Num UMC369967 UMC369969 UMC369970 UMC369972 UMC369973 UMC369973

Last	Assessment	2006	2006	2006	2006	2006	2006	2006
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NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

NORTH AMERICAN EXPLORATION, INC.

MINERAL EXPLORATION SERVICES



April 4, 2006

District Ranger
Teasdale Ranger District
Dixie National Forest
P.O. Box 99
Teasdale, Utah 84773

Dear Sir/Madam:

Here are two Notice of Intention to Commence Small Mining Operations in your District. The Notices are:

- 1. Scottish Rite Mine Anasazi Gold Reserves
- 2. Imagine Mine James L. Terry (Individual)

A copy of both Notices have also been sent to Paul Baker with the Utah Division of Oil, Gas and Mining. We are filing these notices and acting as representative for the above parties. We look forward to working with you on these two projects.

Sincerely.

O. Jay Gatten

OJG/la

Enclosures

cc: Correspondence (no encl.)
Project (w/encls.)
James L. Terry (w/encls.)
Anasazi Gold (w/encls.)

APR 0 6 2006

DIV. OF OIL, GAS & MINING

Form MR-SMO (Revised October 20, 2005)

This Section for DOGM U	Jse:	0	-
Assigned DOG	M File No .: S	1055102	2_
Assigned DOG DOGM Lead:	Paul Bake	r	
Permit Fee \$_	150.00	_ Ck #_ 28 8	348

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

1594 West North Temple Suite 1210 Box 145801

Salt Lake City, Utah 84114-5801 Telephone: (801) 538-5291 Fax: (801) 359-3940

NOTICE OF INTENTION TO COMMENCE SMALL MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1987, and the General Rules as promulgated under the Utah Minerals Regulatory Program.

"Small Mining Operations" means mining operations which disturb five or less surface acres at any given time.

Nam	e of Entity Applying for Permit: James L. Terry
Cont	act (Authorized Officer): James L. Terry
Addr	ess: 4157 Imperial Way
City.	State, Zip: Provo, Utah 84604
	e: 801/367-4009 Fax:
	il Address:
	dual (x) Other () – specify type)
Entity of Co Are ye	y must be registered (and maintain registration) with the State of Utah, Di prorations www.commerce.utah.gov. ou currently registered to do business in the State of Utah? Yes
Entity of Co Are ye Entity	w must be registered (and maintain registration) with the State of Utah, Discrepance www.commerce.utah.gov. ou currently registered to do business in the State of Utah? Yes AND None Business License # None
Entity of Co Are you Entity Local Issued	y must be registered (and maintain registration) with the State of Utah, Di prorations www.commerce.utah.gov. ou currently registered to do business in the State of Utah? Yes A None
Entity of Co Are you Entity Local Issued Regis Name	w must be registered (and maintain registration) with the State of Utah, Discrepance www.commerce.utah.gov. ou currently registered to do business in the State of Utah? Yes A None Business License # None d by: County or City tered Utah Agent (as identified with the Utah Department of Commerce):
Entity of Co Are yo Entity Local Issued Regis Name Addre City, S	w must be registered (and maintain registration) with the State of Utah, Districtions www.commerce.utah.gov. ou currently registered to do business in the State of Utah? Yes A None Business License # None d by: County or City tered Utah Agent (as identified with the Utah Department of Commerce): is: None ses: State, Zip:
Entity of Co Are you Entity Local Issued Regis Name Addres City, S	w must be registered (and maintain registration) with the State of Utah, Discrepations www.commerce.utah.gov. ou currently registered to do business in the State of Utah? Yes A None Business License # None d by: County or City tered Utah Agent (as identified with the Utah Department of Commerce): None

RECEIVED

APR 0 6 2006

Name: U. Jay Gatten	c/o North American Exploration, Inc.
Address: 447 N 300 W	Suite 3
City, State, Zip: Kaysvill	
	Fax: 801/544-4554
	n@nae-xploration.com
If Partnership or Sole Prop	prietor:
Name of 1 st partner / Sole	
Name	
Address:	
City, State, Zip:	
Phone:	Fax:
E-mail Address:	
f Partnership:	
Name of 2 nd Partner:	
Address:	
City, State, Zip:	그런 그는 그 그 나는 사람들이 많은 사람들이 없는 사람들이 없는 것이 없는 것이 없었다.
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ldress: ty, State, Zip: ione: mail Address:	Fax:
ldress:	Fax:r:
Idress:	Fax:
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5.	Ownership of Land Surface:
	Private (Fee) ☐ Public Domain (BLM) ☐ National Forest (USFS) ☐ Forest State Trust Land/School Sections ☐ State Sovereign Lands ☐ Other (please describe):
	Name National Forest (Dixie) 1789 Wedgewood Lane, Cedar City, UT 84
	Name Dixie National ForeAddress Teasdale Ranger District Box 99, Teasdale, Utah 84773
	Name Address
	NameAddress
6.	Ownership of Minerals:
	Private (Fee) □ Public Domain (BLM) □ National Forest (USFS) State Trust Land/School Sections □ State Sovereign Lands □ Other (please describe):
	Name National Forest (DixAddress 1789 Wedgewood Lande, Cedar City, UT 84
	Name Dixie National Fores Address Teasdale Ranger District Box 99, Teasdayle, UT 84773
	NameAddress435/425_3702
	Name Address
	BLM Claim Numbers <u>UMC369971</u> . <u>UMC369972</u> (IMAGINE 19 & 20)
	Utah State Lease Number(s): N/A
	Name of Lessee(s) N/A
7.	Have the above surface and mineral owners been notified in writing? YesX No
	If no, why not? Written notification herein
Mining ald Exploration ands Ad	advised that if State Trust Lands are involved, notification to the Division of Oil, Gas and one does not satisfy the notification requirements of Mineral Leases upon State Trust Lands on or mining activity on State Trust Lands requires a minimum of 60 days notice to the Trust ministration prior to commencing any activities. Please contact the School Institutional Trust ministration (SITLA) at (801) 538-5508 for notification requirements.
8.	Does the Entity have legal right to enter and conduct mining operations on the land covered by this notice? Yes x No

II. PROJECT LOCATION & MAP (Rule R647-3-105)

	414 . 6 277	414	-f OTT	AIA.	Castiani	10	Township:	305	Range:_	3E
	1/4, of <u>NE</u>	_ 1/4,	of SW	1/4:	Section:	10	Township:	305	Range:_	3E
_	1/4, of <u>SE</u>	- 1/4,	of SW		Section: _ Section:		Township:		_ Range:_	
_	1/4, of <u>SE</u>	_ 1/4,	or <u>SW</u>	1/4:	Section: _	10	_ Township.	305	_ range	
1	East 4499	74		v e y	(if known)	UTM	North <u>422</u>	9405	The state of the s	(If known)
20	of Quad Ma	n for	l ocation	ı. c	ovo rnmen	t Poi	nt IItah		(Zone 1	2)
10				26						
	An accura	te top	ographic	bas	e map show	wing th	e location of	the prop	oosed smal	ll mining
	operation	must	be subm	itted	with this no	otice.	The areas to lail so that the	v can b	a located o	n the
	access roa	io roc	iust be p	e bole	d in Suilicle	mittee	/ Operator al	so nhot	n documen	t plot
	ground. It	ny ni	o-evietir	ueu i	turhances	in the i	mmediate vic	inity tha	at he is not	it, plot
	responsible		C-CXIStii	ig uic	olui bai iccs	iii aic i	minodiato vie	miley thic		
	The propo	sed (acre o	less) disturbed	area b	oundary (incl	uding a	ccess/haul	roads)
	should be	mark	ed in the	e field	ON THE	GROU	ND with meta	IT-Pos	ts (or with	some
	other mark	er of	equal ef	fectiv	reness). M	arkers	should be ap	propria	tely spaced	so that
	the next m	arker	in either	dire	ction is clea	arly vis	ible with the r	naked e	ye.	
ΞF	RATION PL	AN (I	Rule R6	47-3-	-106)					
<u>=</u> F						d				
<u>E</u> F	Type of m					dergrou	ınd □			
ΞF	Type of m	ining	: Surfa	се х	∄ Und					
<u>EF</u>	Type of m	ining	: Surfa	се х						- 1
EF	Type of m	ining to be	: Surfa	ce χ <u>Σ</u> :Pı	Uno	Metals	3	to be r	moved: <u>1</u>	 000 ton
EF	Type of m	ining to be	: Surfa	ce χ <u>Σ</u> :Pı	Uno	Metals		to be r	moved: <u>1</u>	 000 ton
<u>EF</u>	Type of m Mineral(s) Amount o	ining to be	: Surfa e mined erial to	ce XIII	Under the Court of	Metals	or proposed			
EF	Type of m Mineral(s) Amount o Will any w	to be	: Surfa	ce xī	Tecious Netracted, netracted, reagainst the second	Metals	or proposed	tions b		
EF	Type of m Mineral(s) Amount o Will any w or dischar	to be f mat	: Surfa e mined erial to liquid d as part	ce x	tracted, n	Metals noved pents, cor millir	or proposed or other solung process?	tions b	e used, pr	oduced
EF.	Mineral(s) Amount o Will any wor dischar	to be	: Surfa	ce x	xtracted, n	Metals noved gents, or milling	or proposed or other solu	tions b	e used, pr	oduced
	Mineral(s) Amount o Will any wor discharyes	to be f mat vater,	: Surfa	be exchement the	xtracted, n icals, reage mining of yes, pleas	moved gents, cor millinge describe was	or proposed or other soluting process? ribe (add extremed, screen	tions b	e used, pr	oduced) vy
EF.	Mineral(s) Amount o Will any wor discharyes	to be f mat vater,	: Surfa	be exchement the	xtracted, n icals, reage mining of yes, pleas	moved gents, cor millinge describe was	or proposed or other solu	tions b	e used, pr	oduced) vy
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■ F	Mineral(s) Amount of the work of discharacy and the work of the w	to be f mat	E Surfa	be except the most the lift th	xtracted, noticals, reage emining of yes, please al will using a	Metals noved gents, c r millir e describe was limite	or proposed or other soluting process? ribe (add extremed, screen	tions b a pages ened a of wat	e used, pr s if needed nd a hea er from	oduced) vy
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III.

a grizzly, screens, a trommel and sluice box to recover a heavy mineral concentrate. Water and washed material would be circulated through a shallow pit or portable tanks and would not be discharged directly into the creek. No washing operations would be conduced within 20 feet of the creek. Water would be allowed to discharge into the ground and evaporate. Washed sand and gravel and fines would be stored in an orderly manner until reclamation takes place. The surface would be restored to near its original contour and replanted. The heavy mineral concentrates would be transported off site for further processing and precious metal recovery.

In additional six to eight shallow holes would be drilled within the permitted area west of Fish Creek. Shallow mud pits would be dug to hold water/drilling mud and would be filled in and reclaimed after drilling is completed.

- 8. Total project surface acreage to be disturbed: $2 \cdot 0$ (acres) PLEASE SPECIFY EXACT ACREAGE (this will be used to determine surety bond amount see #VI).
- 9. Proposed startup date of project (month, year) April 2006
- 10. Proposed completion date of project, if known (month, year) unknown

IV. OPERATION AND RECLAMATION PRACTICES (Rule R647-3-107, 108 & 109)

The reclamation and operation obligation is to keep the area clean and safe, minimize hazards to public safety, return the land to a useful condition, and reestablish at least 70 percent of the premining vegetative ground cover. To accomplish this, the Permittee / Operator will need to perform reclamation concurrently, or at the completion (within one (1) year) of mining. Please refer to The Practical Guide to Reclamation in Utah, available at www.ogm.ut.gov.

- 1. Keep the mining operation in a safe, clean, and environmentally stable condition.
- 2. Permanently seal all shafts and tunnels to prevent unauthorized or accidental entry.
- 3. Plug drill holes with a five foot cement surface plug. Holes that encounter fluids are to be plugged in the subsurface to prevent aquifer contamination.
- 4. Construct berms, fences, or barriers, when needed, above highwalls and excavations.
- Remove, isolate, or neutralize all toxic materials in a manner compatible with federal and state regulations.
- 6. Remove all waste or debris from stream channels.
- 7. Dispose of any trash, scrap metal, wood, machinery, and buildings.
- 8. Conduct mining activities so as to minimize erosion and control sediment.
- 9. Reclaim all roads that are not part of a permanent transportation system.
- 10. Stockpile topsoil and suitable overburden prior to mining.
- Stabilize highwalls by backfilling or rounding to 45 degrees or less, where feasible; reshape the land to near its original contour, and redistribute the topsoil and suitable overburden.
- 12. Properly prepare seedbed to a depth of six inches by pocking, ripping, discing, or harrowing. Leave the surface rough.
- Reseed disturbed areas with adaptable species. (The Division recommends a mixture of species of grass, forb, and browse seed, and will provide a specific species list if requested.)
- Plant the seed with a rangeland or farm drill, or broadcast the seed. Fall is the preferred time to seed.

V. VARIANCE REQUEST (Rule R647-3-110)

Any variance request must be approved in writing by the Division

Yes □ No □XX

Any planned deviations from Rules R647-3-107, Operation Practices, R647-3-108, Hole Plugging Requirements, or R647-3-109, Reclamation Practices, as summarized above (see **IV. Operation and Reclamation Practices** Item # 1-14), should be identified below listing applicable rule number. Give justification for the variance(s) and alternate methods or measure to be utilized. A variance shall be granted if the alternative method or measure proposed will be consistent with the Act.

Item # Justification:	Applicable Rule # (i.e. R647-3-109.10 (if you did not want trenches & pits reclaimed)
Alternate metho	ods or measure to be utilized:
2 nd Variance Re	quested
Item# Justification:	Applicable Rule #
Alternate metho	ds or measure to be utilized:
3 rd Variance Rec	quested
Item # Justification:	Applicable Rule #
A Manua 4 11	
SURETY (A	ds or measure to be utilized: page If more variances are requested. Act 40-8-7(1)[c]) attract and surety must be provided to and approved by the Division price.
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SURETY (A seclamation commencement of the Utah M that all minimal land affected conditions. The surety amounts are	Page If more variances are requested. Act 40-8-7(1)[c]) Intract and surety must be provided to and approved by the Division price of operations. Inned Land Reclamation Act (40-8-7 (1)[c] and 40-8-14 provides the authoritying operations furnish and maintain reasonable surety to guarantee that the
SURETY (A seclamation continuencement of the Utah M that all minimal land affected conditions. The surety amounts are guide, along Surety for seconds.	Page If more variances are requested. Act 40-8-7(1)[c]) Intract and surety must be provided to and approved by the Division prior operations. Inned Land Reclamation Act (40-8-7 (1)[c] and 40-8-14 provides the authoritying operations furnish and maintain reasonable surety to guarantee that the ed is reclaimed according to accepted notices consistent with on-site amount is based on the nature, extent and duration of operations. The surety based on data from current large mine surety and are used as a general
SURETY (A seclamation commencement of the Utah M that all minimal land affects conditions. The surety amounts are guide, along Surety for second to the provided or will second to the provided or will second to the surety amounts are guide, along the provided or will second to the surety amounts are guide, along the second to the provided or will second to the surety amounts are guide, along the surety for second to the provided or will second to the surety amounts are guide, along the surety for second to the suret	Act 40-8-7(1)[c]) Intract and surety must be provided to and approved by the Division prior operations. Inned Land Reclamation Act (40-8-7 (1)[c] and 40-8-14 provides the authority and operations furnish and maintain reasonable surety to guarantee that the ed is reclaimed according to accepted notices consistent with on-site amount is based on the nature, extent and duration of operations. The sure is based on data from current large mine surety and are used as a general graph with actual site conditions. In all mines sites will be escalated three (3) years to the future. Contact the

The Utah Mined Land Reclamation Act of 1975 [40-8-7(1)(i)] provides the authority for the assessment of permitting fees. Commencing with the 1998 fiscal year (July 1 - June 30), permit fees are assessed to new and existing notices of intention, and annually thereafter, until the project disturbances are successfully reclaimed by the Permittee / Operator and

released by the Division.

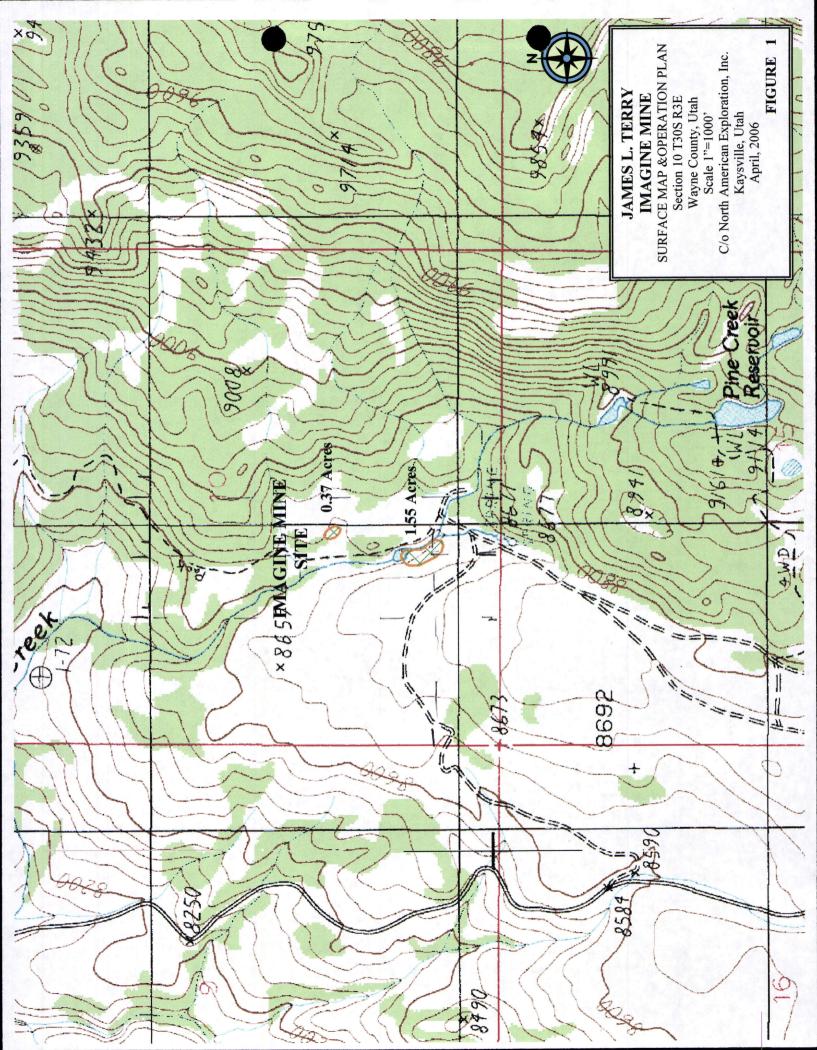
Small Mine Notices require a \$150.00 fee which must accompany this application or it cannot be processed by the Division.

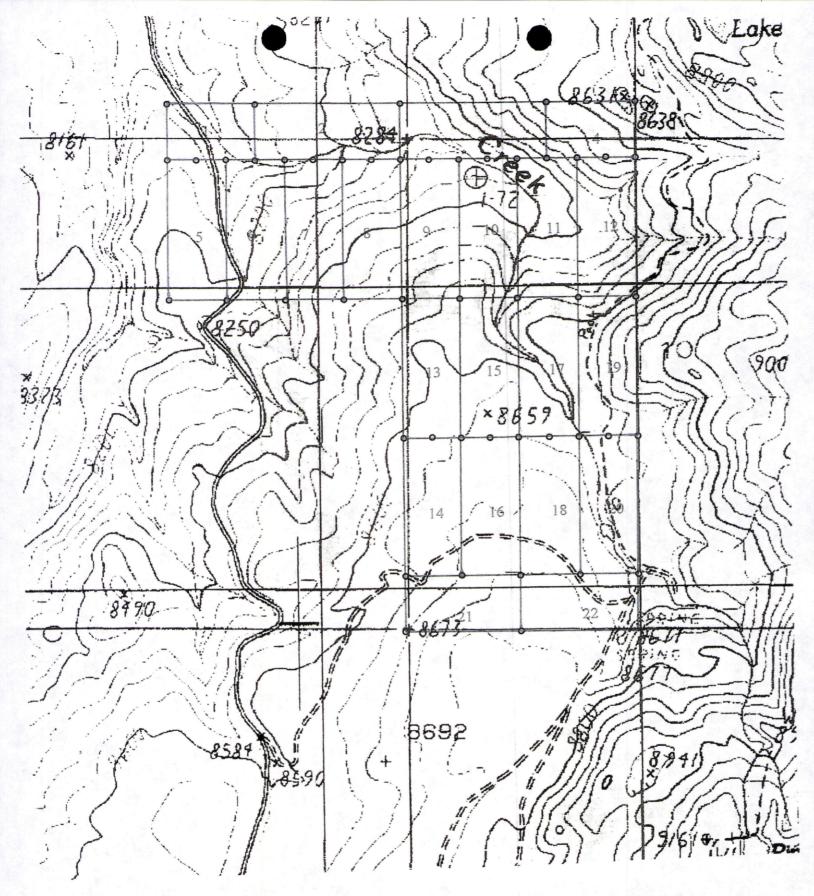
<u>NOTICE:</u> The following person(s) are authorized and designated to receive Notices of Violations, Cessation Orders and all other Notices required by the Division to be given to the permittee or operator:

	Name:
	Address:
	City, State, Zip:
	Phone: Fax:
	E-mail Address:
	Name:
	Address:
	City, State, Zip:
	Phone: Fax:
	City, State, Zip: Fax: Phone: Fax: E-mail Address:
VIII. <u>SIGI</u>	NATURE REQUIREMENT
(Please che	eck the box and place your initials on the line provided)
X	I have enclosed the required permit fee.
	I have enclosed a complete Reclamation Contract (Form MR-RC) and the
	appropriate reclamation surety amount or have made arrangements as to when the surety will be furnished.
X	I understand that I am not authorized to create any surface disturbance until the
	surety amount is posted and approved in writing from the Division of Oil, Gas and Mining and any other authorized regulatory agency.
CERTIFICA I state under America that	penalty of perjury under the laws of the state of Utah and the United States of
a.	I have read this form and declare the information, statements and/or documentation are true, correct and complete to the best of my knowledge and belief; AND
b.	I commit to the reclamation of the aforementioned small mining project as required
	by the Utah Mined Land Reclamation Act (40-8) and the rules as specified by the
	Board of Oil, Gas and Mining.
	This certification must be executed by an executive officer if the applicant is a corporation; by a partner if applicant is a partnership (general or limited); owner if applicant is a sole proprietorship; member or manager if applicant is a limited liability company.
	날이 그 바람이 아는 얼마마 아이는 아니라는 사람이 나가 되어 그렇지 하지 않아 나를 다 했다.
Signature	: Jones & Lery Date: 4/4/06
Name (typ	ped or printed):
Title/Posit	ion (if applicable):N/A
	lotices\mr-smo-2005.doc

Page 7

Form MR-SMO





T 30 S R 3 E
Wayne County, Utah
Scale: 1 in = 1000 ft

IMAGINE LODE MINING CLAI MS

JAMES TERRY

P.O. Box 249

Bicknell Utah 84715

June 9, 2003 By NAE, Inc. Authorized Agent UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT MINING CLAIM GEOGRAPHIC REPORT LIST OF MINING CLAIMS BY SECTION

03/10/2006 Page 1 of 1 Run Date:

MER TWP RNG SEC 26 0300S 0030E 010

Last	Asse	2006						
	Lec Dt 06/08/2003	06/08/2003	06/08/2003	06/08/2003	06/08/2003	06/08/2003	06/08/2003	06/08/2003
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	JMC369967 38							MC369967 384
	35	5 :	5 :	5	5 :	5	5	วั
Claimants) TERRY JAMES								
Cialm Name(Number IMAGINE 15 IMAGINE 16 IMAGINE 17 IMAGINE 19 IMAGINE 20 IMAGINE 22 IMAGINE 21								
Quad	SW SW	NW SW	SW	NW SW	SW	SW	SW	
Serial Num	UMC369968	UMC369969	UMC369970	UMC369971	UMC369972	UMC369973	UMC369974	

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM